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Proposed programme budget for the biennium 2016-2017

Proposed United Nations Secretariat contribution to the United Nations Development Group cost-sharing arrangement for the resident coordinator system

Report of the Secretary-General

Summary

The present report is submitted in response to paragraph 72 of General Assembly resolution 70/247, on questions relating to the proposed programme budget for the biennium 2016-2017, wherein the Assembly recalled paragraphs IV.24 to IV.28 of the report of the Advisory Committee (A/70/7) and requested the Secretary-General to provide further detailed information on the proposed Secretariat contribution to support the resident coordinator system at the first part of the resumed seventieth session of the General Assembly. The Assembly is requested to appropriate an amount of $13,321,574 for the biennium 2016-2017, under section 9, Economic and social affairs.

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I. Introduction

1. The budgetary requirement of $13 million was reported under the revised estimates for section 9, Economic and social affairs, resulting from the adoption of Economic and Social Council resolution 2014/14 and the proposed programme budget for the biennium 2016-2017 (see A/69/535). In the resolution, the Council noted with appreciation the progress achieved in implementing the cost-sharing agreement for the resident coordinator system, noted the funding gap expected for the resident coordinator system for 2014 and 2015, and in this regard requested entities of the United Nations development system that had not already done so to take appropriate actions to implement the agreement, subject to the approval of their governing bodies and without impacting programme delivery, including by paying their contribution in full. On the basis of the cost-sharing formula, endorsed by the United Nations Development Group, the projected contribution from the United Nations Secretariat was estimated at $13 million for the biennium 2016-2017, taking into account a global funding scenario of $124.8 million in 2016 and $127.2 million in 2017. The formula is based on three cost factors, namely: (a) a base fee of $350,000; (b) the Secretariat's size, in terms of expenditures and head count, excluding humanitarian and peacekeeping aspects; and (c) system load, calculated in terms of the number of the United Nations Development Assistance Frameworks signed by each department/office.

2. The Advisory Committee on Administrative and Budgetary Questions, in its related report on the revised estimates (A/69/609), stressed that the General Assembly had not yet considered the cost-sharing arrangement for the resident coordinator system and the related United Nations contribution and that it expected that any resource requirements relating to the United Nations share of the resident coordinator system would be submitted alongside the proposed cost-sharing arrangement for consideration and approval by the Assembly. The Assembly, in its resolution 69/262, endorsed the conclusions and recommendations contained in the report of the Advisory Committee, recalled paragraph 9 of the report, noted the consideration of the cost-sharing arrangement by the Assembly and looked forward to receiving all relevant information on the resource requirements for the United Nations share in the arrangement in the proposed programme budget for the biennium 2016-2017.

3. An amount of $13 million was proposed in the proposed programme budget for the biennium 2016-2017 under section 9, Economic and social affairs (see A/70/6 (Sect. 9)). As stated in its first report on the proposed programme budget for the biennium 2016-2017 (A/70/7), the Advisory Committee was not in a position to recommend approval of the Secretary-General's proposal for the Secretariat contribution of $13 million to support the resident coordinator system and expressed its expectation that the Secretary-General would address its observations and provide all the relevant information to the General Assembly. The Assembly, in its resolution 70/247, on questions relating to the proposed programme budget for the biennium 2016-2017, recalled the observations of the Advisory Committee and requested the Secretary-General to provide further detailed information on the proposed Secretariat contribution to support the resident coordination system at the first part of its resumed seventieth session.

4. Furthermore, in paragraphs 51 to 57 of its resolution 2015/15, the Economic and Social Council stated that it:

> "51. Acknowledges that the resident coordinator system, encompassing all organizations of the United Nations system dealing with operational activities for development, aims at improving the efficiency and effectiveness of operational activities at the country level through the promotion of more strategic support for national plans and priorities, makes operations more efficient and reduces transaction costs for Governments;
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> "52. Notes progress made in strengthening the capacity of resident coordinator offices with a view to enhancing the coherence and effectiveness at the country level through improved access of the resident coordinator offices to the expertise and technical resources available within the United Nations development system, and in this regard calls for further measures to address particular challenges for resident coordinators/humanitarian coordinators working in countries in transition from relief to development, in order to improve performance and effectiveness;
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> "53. Reiterates the importance of the cost-sharing agreement for the resident coordinator system, notes in this regard progress achieved in implementing the cost sharing agreement for the resident coordinator system, notes the funding gap expected for the resident coordinator system for 2015, in this regard strongly requests entities of the United Nations development system that have not already done so to take appropriate actions to implement the agreement, subject to the approval of their governing bodies and without impacting programme delivery, including by paying their contribution in full, noting that the General Assembly has yet to approve the contribution of the Secretariat to the agreement, and reiterates its request to the Secretary-General to include in his regular reporting to the Council updates on agency-specific progress in this regard;
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> "54. Requests the Secretary-General, with a view to the funding gap expected for the resident coordinator system, and in consultation with all entities of the United Nations development system, to make proposals to the Council at the operational activities segment of its substantive session of 2016 on ways to further develop the cost-sharing agreement in order to address the effective needs of the system, as part of his regular reporting;
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> "55. Notes the broadened and strengthened leadership role of the resident coordinator as defined in the updated generic job description for this position, and underscores the need, as appropriate, to enable the resident coordinator to fill that role, inter alia, by strengthening the capacity of resident coordinator offices and through the effectiveness of the functional firewall between the resident coordinator and the resident representative of the United Nations Development Programme;
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> "56. Also notes the progress by United Nations entities in institutionalizing the management and accountability system of the resident coordinator system, requests United Nations entities that have not yet fully implemented the management and accountability system to do so as a matter of priority, and requests all funds and programmes, and encourages all specialized agencies, to

include the formal input of the resident coordinator in the performance appraisals of their agency representatives;

"57. Reaffirms the mandate contained in General Assembly resolution 67/226 with respect to the resident coordinator system, reaffirms the importance of achieving diversification in the composition of the resident coordinator system in terms of geographical distribution and gender, also reaffirms the importance of the participation of all agencies, funds and programmes of the United Nations system on an equal footing in the resident coordinator system, requests the Secretary-General to make every effort in this regard to ensure the full application of these principles in the appointment of resident coordinators, notes the establishment in May 2014 of the new Resident Coordinator Assessment Centre, in this regard encourages all agencies to nominate qualified candidates for the Centre, and requests the United Nations development system to continue to identify solutions in order to strengthen its ability to efficiently recruit and deploy experienced resident coordinators at the appropriate level of seniority who meet the highest standards of integrity;"

II. System-wide participation, costs, funding and resources in support of the resident coordinator system

5. Pursuant to resolution 62/208 of the General Assembly, on the triennial comprehensive policy review of operational activities for development of the United Nations system, the Secretary-General submitted several reports on the functioning of the resident coordinator system, including costs and benefits (E/2008/60, E/2009/76 and E/2010/53). Pursuant to resolution 67/226, on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, the Secretary-General also submitted several related reports (E/2013/94, E/2014/69 and A/70/62-E/2015/4). In response to the request of the Assembly in paragraph 72 of its resolution 70/247, the present report reflects information provided by the United Nations Development Group/Development Operations Coordination Office and supplementary information provided to the Advisory Committee on Administrative and Budgetary Questions.

A. Role of the resident coordinator system and why it is important

6. The United Nations resident coordinator system is the cornerstone of a coherent United Nations system that is "fit for purpose" to deliver integrated support to Governments, as well as to support the Secretary-General, United Nations Secretariat entities and United Nations regional and country operations. The resident coordinator system leverages the respective expertise and specialization of 31 funds, programmes, specialized agencies, as well as United Nations Secretariat departments and offices and the regional commissions, working across disciplines and functions to deliver coherent, effective and efficient support.

7. A well-functioning resident coordinator system facilitates greater engagement by the United Nations at the global and region levels, while also helping the Organization to be more goal-oriented, reach agreed outcomes more effectively, reduce transactional costs for Governments and partners, and ensure greater impact and value-for-money for the countries it serves. In countries where the United

Nations has a programme and policy presence, such as in least-developed, low-income or middle-income countries, the resident coordinator system helps the Organization to be a more relevant, effective and reliable partner for Governments. The resident coordinator system also provides the network and know-how for the Organization to be able to carry out its multiple mandates and address the integrated agenda effectively and responsibly, as requested by Member States.

8. United Nations resident coordinators serve as representatives of the Secretary-General at the country level, thereby supporting initiatives well beyond the United Nations development system. The United Nations Secretariat's units and departments, most of which do not maintain any country presence, rely heavily on the resident coordinators and the resident coordinator system for their access to government entities at the country level, data and information-sharing, sociopolitical and economic analysis, the management of events and conferences, regular facilitation of technical assistance missions and the backstopping of high-level visits to countries, including by the Secretary-General, his special advisers and special envoys. The United Nations Secretariat represents 14 members in the United Nations Development Group as follows: 5 with a country presence, namely, the Office of United Nations High Commissioner for Human Rights, the United Nations Conference on Trade and Development, the United Nations Office on Drugs and Crime, the United Nations Human Settlements Programme, and the United Nations Environment Programme; 5 regional commissions, namely, the Economic Commission for Africa, the Economic Commission for Europe, the Economic Commission for Latin America and the Caribbean, the Economic and Social Commission for Asia and the Pacific, and the Economic and Social Commission for Western Asia; and 4 departments and offices, namely, the Department of Economic and Social Affairs, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the Office of the Special Adviser on Africa and the Office of the Special Representative of the Secretary-General for Children and Armed Conflict. In addition, the Secretariat represents five observers in the Group, namely, the Office for the Coordination of Humanitarian Affairs, the Department of Political Affairs, the Department of Public Information, the United Nations Fund for International Partnerships and the Office of the Deputy Secretary-General.

9. This support is regularly provided to all United Nations Secretariat entities and especially to entities implementing country-level activities with minimal or no physical presence at the national level.

10. The adoption of the 2030 Agenda for Sustainable Development, as well as the role of the United Nations on issues such as peacekeeping, human rights, the situation of refugees and migrants, and the environment are essential parts of the resident coordinator system and integral to the functioning of the Organization. The global call for a more coherent and integrated approach across all pillars of the United Nations system is echoed by an increasing number of Member States that, in recent years, have called upon the United Nations to organize and act on the "Delivering as one" system-wide initiative (52 countries as of January 2016).

11. The coordination provided by the resident coordinator system underpins the work of the broader United Nations system in 131 countries (these include low-income, low-middle-income, high-middle-income, net-contributing countries and countries in complex crisis situations). In these contexts, resident coordinators

oversee United Nations operational activities, manage and mobilize funds for the United Nations Development Assistance Frameworks, and lead and coordinate United Nations country teams to deliver on policy and programme results in support of national priorities. The country teams are supported by regional United Nations Development Group teams and the United Nations Development Operations Coordination Office at the global level. The regional United Nations Development Group teams, which are also part of the resident coordinator system, ensure the implementation of integrated approaches and responses at the regional level, while also leveraging the strengths of the United Nations system at large, including the regional commissions. The global level supported by the Office ensures that the United Nations Development Group is fit for purpose and that this operational arm of the Organization is effectively leveraged to support countries reach their national objectives and that the United Nations system is adequately supported as needed.

B. The case to support the United Nations resident coordinator system

12. The sustainability of the resident coordinator system relies on the system-wide cost-sharing arrangement of the United Nations Development Group.[1] In the initial funding cycle of the resident coordinator system included in the proposed programme budget for the biennium 2014-2015, 19 United Nations Secretariat entities (see para. 8 above) were expected to contribute a total of $5.5 million towards the cost-sharing arrangement in 2014, and $5.7 million in 2015.

13. For the biennium 2016-2017, the 19 United Nations Secretariat entities were included in section 9.E of the proposed programme budget for the biennium 2016-2017 and the Secretary-General proposed to contribute $6,535,653 in 2016 and $6,785,921 in 2017, for a total of $13,321,574 for the biennium. Without the full contribution from the Secretariat, which is equivalent to approximately 19 per cent of the total expected from United Nations system entities other than the United Nations Development Programme (UNDP), the minimum core coordination capacity for the resident coordinator system cannot be provided and resident coordinators may not have the necessary stable and predictable resources to fulfil their mandate effectively during the biennium 2016-2017.

C. System-wide cost-sharing arrangement of the resident coordinator system

14. The system-wide cost-sharing arrangement of the United Nations Development Group replaced the previous ad hoc approach to cost-sharing for the resident coordinator system and is its primary funding source as of 2016.

15. The global budget of the resident coordinator system amounts to $124.8 million in 2016 and $127.2 million in 2017. In response to the 2012 quadrennial comprehensive policy review of operational activities for development of the United

[1] The United Nations Development Group is an instrument created by the Secretary-General in 1997 to address United Nations reform. It is chaired by the Administrator of the United Nations Development Programme (who serves as Chair of the Group) on behalf of the Secretary-General as one of the three pillars of the United Nations System Chief Executives Board for Coordination. The 19 United Nations Secretariat entities participate in the Group as active members and observers.

Nations system and the requests of the Economic and Social Council to implement a cost-sharing system for core coordination functions, the United Nations Development Group worked closely with its 31 member entities, independent experts and the Finance and Budget Network of the High-level Committee on Management to come up with a cost-sharing formula that was agreeable to all.

16. As coordinator and custodian of the resident coordinator system, UNDP continues to fund the bulk of the system, including the salaries of the resident coordinators. The remainder, which accounts for approximately 30 per cent of the total cost of the resident coordinator system, would be cost-shared proportionately by all United Nations entities that are members of the United Nations Development Group, including UNDP. It is important to note that the cost-sharing formula provides for proportional and consistent contributions on the basis of each entity's engagement and demands at the country level (measured by participation in United Nations Development Assistance Frameworks, staffing numbers involved in development and development expenditures), taking into account statistical data on the entities provided to the United Nations System Chief Executives Board for Coordination (CEB).

17. For the United Nations Secretariat, the cost covers the activities of 19 Secretariat entities, which are members or observers of the United Nations Development Group, paying one single base fee, while every other entity pays a base fee per entity. This exception is in place to keep the contribution for the Secretariat to a minimum. The Secretariat was the only member of the United Nations Development Group that did not participate in the 2014-2015 funding cycle of the cost-sharing arrangement. Additional information on the cost-sharing arrangement and the United Nations Development Group cost-sharing formula is provided in the annex to the present report.

D. Ensuring cost control of the budget and accountability mechanisms

18. The United Nations Development Group agreed that the resident coordinator system should be maintained in accordance with 2011 expenditure levels, merely adjusted for changes in the International Civil Service Commission (ICSC) staff pro forma costs in the years ahead. To ensure cost control of the global budget, the budget will continue to be maintained at zero growth with the adjustment made annually at approximately 3 per cent per the staff pro forma cost adjustments as determined by ICSC for the United Nations system as a whole. There are therefore no cost increases in real terms, only maintenance of the established minimum capacity.

19. The resident coordinators report annually on the results of their coordination activity and the funds for which they are held accountable. The United Nations Development Operations Coordination Office, as the secretariat of the United Nations Development Group, prepares an annual report on global results, which is presented by the Chair of the Development Group to CEB. The CEB secretariat also prepares a CEB annual overview report and reports to the Economic and Social Council at its Coordination and Management Meeting sessions held in June and December each year. The global fiduciary management and reporting role for the resident coordinator system funds is held by UNDP and is included in UNDP financial statements and audited accounts presented to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee. Accounting for

the use of the United Nations Secretariat's contribution of these funds will be included and reported on by UNDP.

20. The United Nations Secretariat proposes to provide supplementary information on the actual/projected expenditures of the resident coordinator system, including the contribution by the Secretariat, on a biennial basis, in the context of the second performance report for each respective biennium.

III. Proposed contribution of the United Nations Secretariat to the resident coordinator system

21. The funding structure for the resident coordinator system is set out in tables 1 and 2, which provide a breakdown of the contributions at the country, regional and global levels by UNDP and the United Nations Development Group for 2016. A structured model of the standard capacity in each country category is set out in table 3.

Table 1
Funding structure for the resident coordinator system, 2016 (United Nations country team support)
(Millions of United States dollars)

Category	*Number of countries*	*Global cost*	*UNDP backbone allocation*	*UNDG portion*
Resident coordinator system support to countries				
Staff costs			60.27	
Non-staff costs			12.34	
Total	**131**		**72.61**	
Countries in complex crisis situations				
Staff costs		13.67		
Non-staff costs		3.12		
Total	**26**	**16.79**		
Low-income countries				
Staff costs		4.58		
Non-staff costs		3.71		
Total	**37**	**8.29**		
Low middle-income countries				
Staff costs		7.43		
Non-staff costs		2.56		
Total	**47**	**9.99**		

Category	*Number of countries*	*Global cost*	*UNDP backbone allocation*	*UNDG portion*
High middle-income countries				
Staff costs		1.75		
Non-staff costs		0.80		
Total	**15**	**2.55**		
Net-contributing countries				
Non-staff costs		0.82		
Total	**6**	**0.82**		
Total, United Nations country team support	**131**	**38.44**	**12.88**	**25.56**

Abbreviations: UNDG, United Nations Development Group; UNDP, United Nations Development Programme.

Table 2
Funding structure for the resident coordinator system, 2016 (regional and global support)
(Millions of United States dollars)

Category	*Number of posts*	*Global cost*	*UNDP backbone allocation*	*UNDG portion*
Regional support				
Staff costs		2.91		
Non-staff costs		0.60		
Total	**12**	**3.51**	**1.57**	**1.94**
Global support				
Staff costs		6.50		
Non-staff costs		3.75		
Total	**27**	**10.25**	**1.79**	**8.46**

Abbreviations: UNDG, United Nations Development Group; UNDP, United Nations Development Programme.

22. Taking into consideration tables 1 and 2 above, the total UNDP backbone allocation amounts to $88.85 million and the total United Nations Development Group portion amounts to $35.96 million. The grand total, comprising UNDP backbone allocation and the United Nations Development Group portion, amounts to $124.81 million.

Table 3
Resident coordinator system standard structure model for the United Nations Development Group cost-sharing arrangement

Category	*Capacity*
Countries in complex crisis situations	P-5 P-3 NO-C[a] General operating expenses: $120,000
Low-income countries	NO-C NO-B General operating expenses: $100,000
Low middle-income countries	NO-C NO-B General operating expenses: $50,000
High middle-income countries	NO-C General operating expenses: $50,000
Net-contributing countries	General operating expenses: $120,000
Special cases: limited United Nations country team presence and no resident coordinator[b]	General operating expenses: $30,000
Multi-United Nations country team operations[c]	Additional general operating expenses: $50,000
Regional United Nations Development Group teams	P-4 P-3 General operating expenses: $100,000
Global work of the United Nations Development Group, including its secretariat	27 positions Global support budget: $3,750,000

Abbreviations: NO, National Professional Officer.

[a] United Nations country teams will be requested to undertake a team approach to monitoring and evaluation and to share the costs for the National Professional Officer (NO-C) function that will support the resident coordinator in coordinating the team approach. The funding requirements for the NO-C function are not included in this budget.

[b] The category "Special cases: limited United Nations country team presence and no resident coordinator" has been removed from 2016 onwards.

[c] The category "Multi-United Nations country team operations" refers to two resident coordinators and resident coordinator offices that support more than one United Nations country team. A total of 131 United Nations country teams are supported across five country categories.

23. The application of the cost-sharing formula to derive the United Nations Secretariat's contribution to the overall requirements of the resident coordinator system is set out in table 4 below.

Table 4

Cost-sharing formula for deriving the United Nations Secretariat contribution to the requirements of the resident coordinator system

(United States dollars)

United Nations Secretariat contribution	*2016*	*2017*	*Total*
Step 1. Base fee			
A base fee of $350,000 for entities with an average annual expenditure in 2012-2013 greater than $500 million	350 000	350 000	700 000
Step 2. Entity size in terms of expenditures and staff count			
50 per cent of "b" is prorated by the ratio of the average expenditure and 50 per cent by the ratio of staff count			
(a) Expenditure: d*(b/4)	1 678 789	1 746 712	3 425 501
(b) Staff size: f*(b/4)	1 519 730	1 581 217	3 100 947
Subtotal, step 2	**3 198 519**	**3 327 929**	**6 526 448**
Step 3. System load			
Ratio of total number of UNDAFs entered into by United Nations Secretariat entities x 50 per cent of balance of net expenditures to be shared by members of UNDG			
(b/2)*h	2 987 134	3 107 992	6 095 126
Total, United Nations Secretariat contribution	**6 535 653**	**6 785 921**	**13 321 574**
Percentage of total expenditures to be shared	18.3 per cent	18.2 per cent	18.2 per cent

Breakdown of factors used in cost-sharing formula	*2016*	*2017*
a. Total expenditures to be shared by members of UNDG	35 942 495	37 200 482
b. Balance of total expenditures to be shared by members of UNDG net of base fees. 50 per cent of this balance will be distributed under step 2. The remaining 50 per cent will be distributed based on step 3	31 092 495	32 350 482
c. United Nations Secretariat average expenditure in 2012-2013	4 186 239	4 186 239
d. Ratio of United Nations Secretariat average expenditure to total average expenditure of UNDG of $19,383,107 in 2012-2013	21.6 per cent	21.6 per cent
e. United Nations Secretariat staff count	7 023	7 023
f. Ratio of United Nations Secretariat staff count to total staff count of members of UNDG (35,921)	19.6 per cent	19.6 per cent
g. Number of UNDAFs entered into by United Nations Secretariat entities in 2013[a]	318	318
h. Ratio of number of UNDAFs entered into by United Nations Secretariat entities to total staff count of members of UNDG (1,655)	19.2 per cent	19.2 per cent

Abbreviations: UNDAF, United Nations Development Assistance Frameworks; UNDG, United Nations Development Group.

* Indicates multiplication.

[a] The number of United Nations Development Assistance Frameworks entered into by United Nations Secretariat entities during 2013 was 318, broken down as follows: Department of Economic and Social Affairs (3), Department of Public Information (14), Office for the Coordination of Humanitarian Affairs (21), regional commissions (34), Office of the United Nations Commissioner for Human Rights (63), United Nations Office on Drugs and Crime (64), United Nations Human Settlements Programme (56), and United Nations Environment Programme (63).

IV. Conclusions and recommendations

24. In accordance with the proposed total United Nations Secretariat contribution reflected in table 4 above, the General Assembly is requested to appropriate an amount of $13,321,574 for the biennium 2016-2017, under section 9, Economic and social affairs, which represents a charge against the contingency fund.

Annex

Cost-sharing formula of the United Nations Development Group for the resident coordinator system

The costs of the resident coordinator system are shared by United Nations Development Group member entities. The first funding cycle covered the biennium 2014-2015. The cost-sharing formula has been updated for the 2016-2017 biennium.

As the manager of the resident coordinator system, the United Nations Development Programme (UNDP) continues to provide the "backbone" costs of the resident coordinator system at the global, regional and country levels, with funding amounting to $88.8 million in 2016 and $90.5 million in 2017. The remaining funding requirement of $36.0 million in 2016 and $36.7 million in 2017 will be shared by the United Nations Development Group, including the United nations Development Programme (UNDP). These amounts are based on the 2012 associated costs of the resident coordinator system, adjusted merely for changes in staff pro forma costs.

All United Nations Development Group member entities participate in the cost-sharing arrangement based on the three-step formula set out below.

Step 1. Annual base fee

All United Nations Development Group members contribute to the annual base fee, as a reflection of the fact that the resident coordinator system is owned by and benefits all members of the United Nations development system and in recognition of the fact that all members place a minimum load on the system. It is determined as follows:

(a) $100,000 as a flat fee contribution for United Nations Development Group entities that do not carry out substantial operational activities at the country level. This shall apply to all entities with average annual expenditures of less than $100 million and/or representation in fewer than 10 United Nations Development Assistance Frameworks;

(b) $175,000 for United Nations Development Group entities with average annual expenditures of less than $500 million;

(c) $350,000 for agencies with average annual expenditures of more than $500 million.

These funding thresholds will be regularly reviewed and adjusted as necessary.

United Nations Secretariat entities will be contributing with a single combined base fee equivalent to the base fee for agencies with average annual expenditures of more than $500 million.

The annual expenditures of United Nations Development Group entities are drawn from the financial statistics used by the United Nations System Chief Executives Board for Coordination (CEB). The average annual expenditures of the entities of the Group are calculated on the basis of each entity's average expenditure in the two most recent years for which CEB data is available (i.e., 2012 and 2013 for contributions in 2016 and 2017).

According to step 1, the base fee contributions from United Nations Development Group member entities are deducted from the total funding requirement. The remaining funding requirement is equally distributed between step 2 and 3, to which Group members with substantial operational activities (such as those within step 1 (b) and (c) above) contribute.

Step 2. Agency staff size and expenditures

Step 2 is a reflection of the principle of fairness and serves to ensure that agencies contribute according to their abilities. United Nations Development Group member entities, including the United Nations Secretariat, contribute in proportion to their share of total United Nations Development Group expenditures (step 2 (a))[1] and staff count (step 2 (b)).[1]

Humanitarian and peacekeeping expenditures as well as the loan portfolio of the International Fund for Agricultural Development will be excluded from the calculation of agency size (step 2 (a)).[1] Peacekeeping staff numbers will also be excluded from the calculation of agency size (step 2 (b)).[1]

Agency expenditure statistics, including humanitarian expenditures, are drawn from the latest available financial statistics used by CEB, reflecting each entity's average expenditure in the two most recent years for which data is available (step 2 (a)).[1]

United Nations personnel statistics (step 2 (b))[1] are drawn from the latest CEB statistics on the staff of the organizations in the United Nations common system with appointments for a period of one year or more (i.e., as at 31 December 2013 for contributions in 2016 and 2017).

Step 3. System load

Step 3 recognizes that different entities place a different load on the system and gain different magnitudes of benefit.

United Nations Development Group member entities, including the United Nations Secretariat, contribute in proportion to the share of currently operational United Nations Development Assistance Frameworks and integrated strategic frameworks in which they participate at the country level.

Current statistics on agency participation in United Nations Development Assistance Frameworks are provided by the United Nations Development Operations Coordination Office.

Adjustment of contributions by United Nations Development Group member entities

The resident coordinator system funding requirements will be adjusted annually for inflation, on the basis of International Civil Service Commission (ICSC) salary scales. The requirement will also be adjusted biannually for the number of countries in complex crisis situations and any changes in the country classifications of countries not in complex crisis situations.

Contributions from United Nations Development Group member entities in accordance with steps 1 to 3 will be adjusted for every biennium based on the latest

[1] See A/70/703, table 4.

available CEB financial and personnel statistics as well as on statistics provided by the United Nations Development Operations Coordination Office on agency participation in United Nations Development Assistance Frameworks and integrated strategic frameworks.

The funding thresholds for small and large organizations in step 1 will be regularly reviewed and adjusted as necessary.

Participating United Nations entities

All United Nations Development Group member entities are expected to participate in the cost-sharing arrangement of the resident coordinator system: Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development, International Labour Organization, International Telecommunication Union, Joint United Nations Programme on HIV/AIDS, United Nations Development Programme, United Nations Educational, Scientific and Cultural Organization, United Nations Population Fund, Office of the United Nations High Commissioner for Refugees, United Nations Children's Fund, United Nations Industrial Development Organization, United Nations Office for Project Services, United Nations Secretariat,[2] United Nations Entity for Gender Equality and the Empowerment of Women, World Tourism Organization, World Food Programme, World Health Organization and World Meteorological Organization.

United Nations entities joining the United Nations Development Group in the wake of the Group's membership reform will be expected to start to contribute in the year that they become members or at the first budgetary opportunity thereafter.

[2] The United Nations Secretariat represents 19 United Nations Development Group entities (14 members and 5 observers). The members are the Office of the United Nations High Commissioner for Human Rights, the United Nations Conference on Trade and Development, the Department of Economic and Social Affairs, the Economic Commission for Africa, the Economic Commission for Europe, the Economic Commission for Latin America and the Caribbean, the Economic and Social Commission for Asia and the Pacific, the Economic and Social Commission for Western Asia, the United Nations Environment Programme, the United Nations Human Settlements Programme, the United Nations Office on Drugs and Crime, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the Office of the Special Adviser on Africa and the Office of the Special Representative of the Secretary-General for Children and Armed Conflict. The observers are the Office for the Coordination of Humanitarian Affairs, the Department of Political Affairs, the Department of Public Information, the United Nations Fund for International Partnerships and the Office of the Deputy Secretary-General.

Table 1

United Nations Development Group member statistics[a]

(United States dollars)

UNDG member	*Average expenditure, 2012-2013 (excluding humanitarian)*	*Share of UNDG expenditure, 2012-2013 (excluding humanitarian) (percentage)*	*Staff count, 2013 (excluding humanitarian)*	*Share of UNDG staff count, 2013 (excluding humanitarian) (percentage)*	*Number of UNDAFs, 2013*	*Share of UNDG UNDAFs, 2013 (percentage)*
FAO	946 875	4.9	2 263	6.3	112	6.8
IFAD	186 533	1.0	510	1.4	36 (34)[b]	2.2
ILO	676 538	3.5	2 287	6.4	105	6.3
ITU	217 068	–	752	–	10	not applicable
UNAIDS	205 254	1.1	673	1.9	93	5.6
UNDP	5 244 443	27.1	6 285	17.5	122	7.4
UNESCO	810 019	4.2	2 038	5.7	112	6.8
UNFPA	862 025	4.4	1 784	5.0	122	7.4
UNHCR	–	0.0	–	0.0	91	5.5
UNICEF	2 933 864	15.1	6 191	17.2	122	7.4
UNIDO	323 060	1.7	617	1.7	89	5.4
UNOPS	327 175	1.7	341	1.0	32	1.9
UN Secretariat	4 186 239	21.6	7 023	19.6	318	19.2
UN-Women	249 993	1.3	543	1.5	94	5.7
UNWTO	24 507	–	96	–	7	not applicable
WFP	438 983	2.3	411	1.1	85	5.1
WHO	1 992 108	10.3	4 954	13.8	122	7.4
WMO	89 362	not applicable	280	not applicable	4	not applicable
Subtotal	**19 714 044**	**100.0**	**37 049**	**100.0**	**1 676**	**100.0**
Deductions	330 937		1 128		21	
Total	**19 383 107**	**100**	**35 921**	**100**	**1 655**	**100**

Note: The 2012-2013 statistics provided by United Nations entities to the United Nations System Chief Executives Board for Coordination were the latest available complete set of statistics available as at the end of 2014, when the calculations for the 2016-2017 funding cycle needed to be submitted to the respective agency governing bodies.

Abbreviations: UNDG, United Nations Development Group; UNDAFs, United Nations Development Assistance Frameworks; FAO, Food and Agriculture Organization of the United Nations; IFAD, International Fund for Agricultural Development; ILO, International Labour Organization; ITU, International Telecommunication Union; UNAIDS, Joint United Nations Programme on HIV/AIDS; UNDP, United Nations Development Programme; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNFPA, United Nations Population Fund; UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children's Fund; UNIDO, United Nations Industrial Development Organization; UNOPS, United Nations Office for Project Services; UN, United Nations; UN-Women, United Nations Entity for Gender Equality and the Empowerment of Women; UNWTO, World Tourism Organization; WFP, World Food Programme; WHO, World Health Organization; WMO, World Meteorological Organization.

[a] Based on submissions to the United Nations System Chief Executives Board for Coordination for 2012-2013.

[b] Number in brackets reflects adjusted figure.

Table 2
United Nations Development Group member contributions, 2016
(United States dollars)

UNDG member	Step 1: Base fee	Step 2: Agency size (a) Expenditure (excluding humanitarian)	Step 2: Agency size (b) Staff count (excluding humanitarian)	Step 3: System load	Total contribution 2016	Share of total
FAO	350 000	379 721	489 787	1 052 072	2 271 580	6.4
IFAD[a]	175 000	74 805	110 361	338 166	698 331 (679 931)	2.0
ILO	350 000	271 309	494 891	986 318	2 102 518	5.9
ITU	100 000	–	–	–	100 000	0.3
UNAIDS	175 000	82 312	145 633	873 596	1 276 541	3.6
UNDP[b]	350 000	2 103 156	1 360 031	1 146 007	4 959 195	13.9
UNESCO	350 000	324 838	441 009	1 052 072	2 167 920	6.1
UNFPA	350 000	345 694	386 046	1 146 007	2 227 747	6.2
UNHCR	350 000	–	–	854 809	1 204 809	3.4
UNICEF	350 000	1 176 555	1 339 643	1 146 007	4 012 205	11.2
UNIDO	175 000	129 555	133 515	836 022	1 274 092	3.6
UNOPS	350 000	131 205	73 863	300 592	855 661	2.4
UN Secretariat	350 000	1 678 789	1 519 730	2 987 134	6 535 653	18.3
UN-Women	175 000	100 253	117 502	882 989	1 275 744	3.6
UNWTO	100 000	not applicable	not applicable	not applicable	100 000	0.3
WFP	350 000	176 043	89 019	798 448	1 413 510	3.5
WHO	350 000	798 886	1 072 095	1 146 007	3 366 989	9.4
WMO	100 000	–	–	–	100 000	0.3
Total	**4 850 000**	**7 773 124**	**7 773 124**	**15 546 248**	**35 942 495**	**100.0**

Abbreviations: UNDG, United Nations Development Group; FAO, Food and Agriculture Organization of the United Nations; IFAD, International Fund for Agricultural Development; ILO, International Labour Organization; ITU, International Telecommunication Union; UNAIDS, Joint United Nations Programme on HIV/AIDS; UNDP, United Nations Development Programme; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNFPA, United Nations Population Fund; UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children's Fund; UNIDO, United Nations Industrial Development Organization; UNOPS, United Nations Office for Project Services; UN, United Nations; UN-Women, United Nations Entity for Gender Equality and the Empowerment of Women; UNWTO, World Tourism Organization; WFP, World Food Programme; WHO, World Health Organization; WMO, World Meteorological Organization.

[a] The IFAD adjusted contribution based on participation in 34 United Nations Development Assistance Frameworks in 2013 is reflected in brackets.

[b] The UNDP contribution to the United Nations Development Group cost-sharing modality comes in addition to UNDP funding of the resident coordinator system backbone, which amounts to approximately $88 million annually.

Table 3
United Nations Development Group member contributions, 2017
(United States dollars)

		Step 2: Agency size				
UNDG member	*Step 1: Base fee*	*(a) Expenditure (excluding humanitarian)*	*(b) Staff count (excluding humanitarian)*	*Step 3: System load*	*Total contribution 2017*	*Share of total*
FAO	350 000	395 084	509 603.34	1 094 639	2 349 326	6.3
IFAD[a]	175 000	77 831	114 825.68	351 848	719 505 (700 360)	1.9
ILO	350 000	282 286	514 914.39	1 026 224	2 173 424	5.8
ITU	100 000	–	–	–	100 000	0.3
UNAIDS	175 000	85 642	151 524.87	908 941	1 321 108	3.6
UNDP[b]	350 000	2 188 249	1 415 057.70	1 192 374	5 145 681	13.8
UNESCO	350 000	337 981	458 852.44	1 094 639	2 241 472	6.0
UNFPA	350 000	359 681	401 664.75	1 192 374	2 303 720	6.2
UNHCR	350 000	–	–	889 394	1 239 394	3.3
UNICEF	350 000	1 224 157	1 393 844.26	1 192 374	4 160 376	11.2
UNIDO	175 000	134 797	138 916.56	869 847	1 318 560	3.5
UNOPS	350 000	136 514	76 851.47	312 754	876 119	2.4
UN Secretariat	350 000	1 746 712	1 581 217.22	3 107 992	6 785 921	18.2
UN-Women	175 000	104 310	122 255.58	918 715	1 320 280	3.5
UNWTO	100 000	–	–	–	100 000	0.3
WFP	350 000	183 166	92 620.39	830 753	1 456 539	3.9
WHO	350 000	831 209	1 115 471.84	1 192 374	3 489 055	9.4
WMO	100 000	–	–	–	100 000	0.3
Total	**4 850 000**	**8 087 621**	**8 087 621**	**16 175 241**	**37 200 482**	**100.0**

Abbreviations: UNDG, United Nations Development Group; FAO, Food and Agriculture Organization of the United Nations; IFAD, International Fund for Agricultural Development; ILO, International Labour Organization; ITU, International Telecommunication Union; UNAIDS, Joint United Nations Programme on HIV/AIDS; UNDP, United Nations Development Programme; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNFPA, United Nations Population Fund; UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children's Fund; UNIDO, United Nations Industrial Development Organization; UNOPS, United Nations Office for Project Services; UN, United Nations; UN-Women, United Nations Entity for Gender Equality and the Empowerment of Women; UNWTO, World Tourism Organization; WFP, World Food Programme; WHO, World Health Organization; WMO, World Meteorological Organization.

[a] The IFAD adjusted contribution based on participation in 34 United Nations Development Assistance Frameworks in 2013 is reflected in brackets.

[b] The UNDP contribution to the United Nations Development Group cost-sharing modality comes in addition to UNDP funding of the resident coordinator system backbone, which amounts to approximately $88 million annually.